

**MINUTES  
REGULAR MEETING  
UTILITY SERVICE BOARD  
AUGUST 17, 2015**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, August 17, 2015.

The meeting was called to order by Chairman Rick Stradtner.

**UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:**

Rick Stradtner – Chairman  
Doug Schulte – Vice Chairman  
Roger Seng – Secretary  
Alex Emmons – Wastewater Commissioner  
Wayne Schuetter – Electric Commissioner  
Dave Hurst – Water Commissioner

**ALSO PRESENT:**

Jerry Schitter – Electric Distribution Manager  
Ernie Hinkle – Gas & Water Manager  
Ed Hollinden – Wastewater Manager  
Bud Hauersperger – General Manager  
Ashley Kiefer – Office Manager  
Renee Kabrick – City Attorney

**ABSENT:**

Keith Masterson – Gas Commissioner

**PLEDGE OF ALLEGIANCE** (DVD-00:45)

Chairman Rick Stradtner led the Pledge of Allegiance.

**QUOTE OPENING: COLLECTION DEPT SERVICE TRUCK - WASTEWATER** (DVD-01:08)

Bud Hauersperger opened the quotes and read them aloud as follows:

1. Uebelhor & Sons	\$30,715.00
Jasper, IN	- 4,500.00 (trade-in)
	\$26,215.00
 2. Bob Luegers	 \$29,536.00
Jasper, IN	- 4,000.00 (trade-in)
	\$25,536.00

All quotes included a Non-Collusion Affidavit, an Indiana Legal Employment Declaration, a Nepotism Policy Affirmation and an Affidavit Regarding Non-responsibility.

Hauersperger stated that only two quotes were received for the service truck. Ed Hollinden asked for permission to take the quotes under advisement and report back to the Board at the September Utility Service Board meeting.

Wayne Schuetter made a motion to take the low quote from Bob Luegers for \$25,536 under advisement, pending review of specifications. Doug Schulte seconded the motion. Motion approved, 6-0.

#### **APPROVAL OF MINUTES** (DVD-04:12)

Chairman Rick Stradtner presented the minutes of the July 20, 2015 Regular Meeting. Doug Schulte stated that one change needed to be made to the July minutes. The minutes stated that the spillway modifications completed in 2012 cost approximately \$500,000, which was the local match, not the total cost of the project. The total cost of the spillway modification project was \$3.3 million.

Wayne Schuetter made a motion to approve the minutes of the July 20, 2015 Regular Meeting as corrected. Roger Seng seconded the motion. Motion approved, 6-0.

#### **ELECTRIC PLANNING COMMITTEE REPORT** (DVD-05:29)

Wayne Schuetter, Chairman of the Electric Planning Committee, stated the committee did not meet during the past month.

#### **UV PROJECT** (DVD-05:33)

Ernie Hinkle informed the Board that the certificate of substantial completion for the UV project came in the mail this week and needs to be accepted and signed by the Board.

Wayne Schuetter made a motion to accept the certificate of substantial completion for the UV project. Dave Hurst seconded the motion. Motion approved, 6-0.

#### **GAS PLANNING COMMITTEE REPORT** (DVD-06:59)

Bud Hauersperger, General Manager, stated that the committee did not meet during the past month.

#### **WATER PLANNING COMMITTEE REPORT** (DVD-07:07)

Dave Hurst, Chairman of the Water Planning Committee, stated the committee did meet on August 13<sup>th</sup>. At the meeting Chairman Stradtner gave a recap on what had transpired with the Beaver spillway project since the last Utility Service Board meeting. The Utility Service Board decided at the July meeting not to fund the modifications of the spillway project but would keep the bids open until their expiration, and at the next USB meeting hear information from the stakeholders regarding alternative financing for the project. Since that time, many meetings have

been held with stakeholders to work together for a solution. The City was expecting to hear a proposal for funding at the Park Board meeting on August 11<sup>th</sup> which would then be brought to the USB, but were met instead with allegations that during the initial spillway modification, a mistake was made by someone, that lowered the lake by 11 inches, and that the City did not acknowledge the mistake. Stradtner stated that he takes offense to these allegations and that proper due diligence was taken by the City in regards to the lower lake level.

Stradtner stated that the City forwarded the video of Brad Popp's presentation, at the Park Board meeting, to Brosmer Land Surveying, Christopher B. Burke Engineering (CBBEL), and Morley and Associates, and asked them to address the allegations made by Popp. Attorney Kabrick reminded everyone that the vendors are under no obligation to address this. All of their contracts with the City are complete.

Much discussion followed about the surveys that were done over the life of Beaver Lake and the allegations made by Popp. Hauersperger explained why the initial modifications had to be done to the spillway and dam and the different options the City considered, to achieve compliance with the IDNR unfunded mandate. It was asked if there were any litigation possibilities. Kabrick did not feel there were any possibilities, as the contractors' agreements were written to meet IDNR's standards for the spillway/dam, and were not based on the prior lake level.

Kabrick reminded everyone about the strict timeline to put a solution into place. The bids will be closed on August 28<sup>th</sup>, and many resolutions, ordinances and meetings are needed to get this project awarded by 8/28. Krempp Lumber expressed that they will not extend the bid past 60 days. Time is running out and the City has yet to hear a plan about alternative financing from the stakeholders.

Stradtner said there is nothing for the Water Committee to further discuss, until the stakeholders bring their plan for financing to the City. He said the USB cannot force any more liability on to the ratepayers and the Mayor said no tax dollars will be spent on this project, after having to reduce all City departments' budgets by 5% for next year.

The Mayor said the Lake Management plan was proposed to take care of all Beaver Lake issues, with the water level to be the first issue addressed. He said no feedback or direction from the lot owners and renters have been received on the proposed plan.

Chairman Stradtner and Dave Hurst said there was no information received for them to make a recommendation from the Water Committee to the full USB. Keith Masterson stressed that we must continue to negotiate while we are waiting for the vendors to address the allegations. It was agreed to table the issue until the USB meeting on Monday night.

Dave Hurst then gave the floor to Chairman Stradtner.

Chairman Stradtner read a prepared statement aloud:

"With the Board's indulgence, I would like to briefly provide an update of our activities to date relative to the Beaver Lake spillway upgrade. As you are aware, I have had the opportunity to meet on numerous occasions, as your representative, with the various stakeholders involving the upgrade. These meetings included Mayor Seitz, City Attorney Kabrick, Park Board Chairman Seger, Park and Recreation officials Buck and Oeding, General Manager of Utilities

Hauersperger, and lake representatives Popp and McGovren. Resultant to those meetings, you have a copy of a memo dated August 17, 2015, that outlines the project cost, financing options, and an itemized breakdown of financing cost attributable to the Water Utility, Park Department and various Beaver Lake renters, including any monies raised through their recent funding appeal. The accuracy of this exhibit is dependent on their report this evening relative to the monies raised, and participation level of either the property owners/renters relative to the annual assessment proposed. It is also dependent on approval of the additional funding requests from the Utility Service Board and Park and Recreation Board. In addition, our City Council will have to approve the various portions applicable to their legislative body. Included as part of our discussion this evening, additional to funding request, will be a request for us to loan monies, net of monies donated to date, to fulfill the cost of the bid and related items. Additionally, due to the complex nature and involvement of multiple boards and private entities, several contingencies will likely need to be included in our actions this evening, allowing the necessary time for the other boards to take their action this week.

An additional item of interest, and our subsequent action, deals with the recent assertion that mistakes were made relative to the initial project concerning the survey and design phase. Resultant to these concerns we immediately contacted and sent the video listing the various data items of concern, and asked for a full report to be available to the board this evening. Specifically, a request was made to Brosmer Land Surveying, Christopher B. Burke Engineering, and Morley and Associates.

As you recall from our July 20, 2015 meeting, we as a board decided not to fund the project. This decision was based on the significant exposure to our 8,000 ratepayers, based on upcoming projects, the costly prior mandates, the value of the additional water as back up water supply relative to the cost of the project, the diminished reserves in our water utility fund, and in consideration of the recent very large rate increase. Now this evening, we have been asked to reconsider a funding request at a much lower cost to our Water Utility. It would seem prudent to utilize the aforementioned criteria, and any additional per board member discretion, in our decision making process. Additionally, I believe it is worthy to consider the idea mentioned previously relative to the water value as an additional “insurance” policy against the prospects of a future occurrence that could impact our city ratepayers in a negative fashion. Finally, I would like to point out that our consideration this evening, with minimized ratepayer exposure and without property tax funds from the Civil City involves the possibility of forging a true public-private partnership to achieve the desired goal of the Spillway Elevation Upgrade.”

Attorney Kabrick stated that when the video of the Park Board meeting was sent out to Christopher B. Burke Engineering (CBBEL), Morley and Associates, and Brosmer Land Surveying the City did not ask them to perform another new full evaluation. The City only asked them to review the video and to provide any information that they thought was relevant for this meeting tonight.

Brian McKenna, with Christopher B. Burke Engineering (CBBEL), addressed the Board regarding the Beaver Lake spillway project. McKenna stated that last week allegations were made that there was some fault made by CBBEL or other professionals involved in the Beaver Lake Dam project that was completed in 2012. McKenna stated that a lot of data was reviewed over the past week regarding the spillway project but none of the data was new data. One main report that was cited last week during the spillway discussion was the Morley and Associates report that was completed in 2013, after allegations were made that the lake levels in Beaver

Lake were different from before the project was completed. This report was an independent report and found that there was no single entity responsible for the discrepancy in the lake pool elevations. McKenna stated that there were some errors and typos in the document but the analysis and the conclusions made by the report were not affected by the typographical errors.

The second document that was cited last week was from the Corps of Engineers, which was called the Phase II report. This report was completed in 1982 to evaluate safety efficiencies on dams across the country. McKenna stated that CBBEL was very familiar with this report and reviewed it during inspections leading up to the spillway design. This report was cited by CBBEL in the preliminary engineering report completed prior to the design phase.

McKenna stated the CBBEL design for the new spillway was based on a topographic survey that was completed by Brosmer Land Surveying in 2010. The survey included spot elevations on the crest of the concrete shoot, as well in the approach channel upstream of the shoot. The elevation on the approach channel was 497.1 according to North America Vertical Datum (NAVD) of 1988. This is the same elevation that CBBEL based the spillway crest elevation on for the proposed spillway. CBBEL relied on this data because it was a detailed ground survey done for the design and construction of the new spillway improvements. The only other information available to CBBEL was the 1982 report, which was almost thirty years old. CBBEL did not witness a control point that was higher than the concrete seal as described in the Phase II report. CBBEL concluded that the spillway had eroded over the thirty years and the difference of elevations that was cited in the Phase II report was a result of the erosion that occurred in the approach channel.

CBBEL felt that the Brosmer Land Surveying results were more reliable, and therefore used their results for the spillway design verses results from thirty years ago. McKenna stated that at this point he realizes that there is an apparent discrepancy with the lake levels now and the levels prior to the spillway modifications; he believes that there are other explanations for the lower levels which include debris and hydraulic inefficiency within the channel. McKenna stated that when deciding which spillway elevation to use, CBBEL's main purpose was to improve the overall safety of the dam in order to meet IDNR safety requirements. McKenna stated that CBBEL stands by the spillway design and believes that no errors were made. CBBEL is willing and ready to assist the City in any way necessary to resolve the ongoing discussion involving the lower lake levels.

Brad Eckerle, with Brosmer Land Surveying, addressed the Board regarding the Beaver Lake spillway project. Eckerle stated that the data that was reflected in their survey was from the NAVD from 1988. At the time of the survey, they did not have the dam inspection reports from Phase I or Phase II available. Their data was very similar to older reports. Eckerle stated that the one foot discrepancy within the reports from past surveys taken at different crests is not a factor. Eckerle stated that work was provided as instructed and he feels no errors were made in the survey, which in turn was utilized by CBBEL to build the new spillway. Eckerle feels all work was performed in accordance to IDNR safety standards.

Bud Hauersperger presented a memo from Morley and Associates, to the Board, regarding the Beaver Lake spillway modifications. Hauersperger stated that Lee McClellan with Morley and Associates reviewed the video from the Park Board meeting. McClellan mentioned that some typos were made on the report submitted regarding data in one part of the report that didn't match the data in another part of the report, but none of the typos affected the results of the

study. The memo states that Morley and Associates stands behind the report that they originally presented.

Chairman Stradtner stated that after the concerns were made at Tuesday night's Park Board meeting, Board and City Officials met and contacted all three firms involved to address the allegations. All three firms have reported that no errors were made. Stradtner stated that the Morley and Associates report was used as a forensic analysis, checking the work of the other two firms. Stradtner feels very strongly that the Board has done their job to address the situation by contacting all the firms involved. Roger Seng stated that he feels proper protocols were taken by the Board.

Brad Popp addressed the Board regarding the Beaver Lake spillway modifications. Popp clarified that McKenna noted discrepancies in his preliminary engineering report that there was a difference between the 1980 and 1982 elevations to current elevations. McKenna then stated that in the preliminary engineering report it was noted that a discrepancy was found between what was observed in the 2010 Brosmer survey, as a controlled elevation of the lake, and between the 1982 elevation of the lake. McKenna stated that the cause was unknown at that point. It could have been erosion of the channel or a combination of erosion and a discrepancy of the benchmarks used. CBBEL did not state that this would cause a decreased elevation in the current lake levels.

Popp informed the Board that the Friends of Beaver Lake met Sunday and raised \$125,000, in hand, with money still coming in, which will total approximately \$140,000. Stradtner reminded Popp that the deadline for all contributions is August 28<sup>th</sup>. Popp stated that they are ready to move on and work with the City of Jasper. Popp asked the Board to consider contributing \$50,000 to the fund to raise the water levels at Beaver Lake.

Stradtner stated that the City will have to have a binding contract with several stakeholders in order to move forward with considering loaning the remainder of the funds, from the Electric Department to the stakeholders for the project. Attorney Kabrick contacted the State Board of Accounts regarding the loaning of the additional funds. They stated that they would not "red flag" anything in an audit as long as there were contract terms, penalty terms, and collection terms set up and being pursued, if needed. Kabrick also contacted the General Counsel for the Indiana Association of Cities and Towns. They also assured Kabrick that no "red flags" would be noticed with this agreement.

Wayne Schuetter addressed the discrepancies made by CBBEL which were noted in their preliminary engineering report to the City. Schuetter said that the report stated that discrepancies were found but the City didn't know how much because the amount was not given. Schuetter stated that until the lake levels came back up, no one had any idea how much the levels would be off. Once the lake came back up, Schuetter got calls saying the lake levels varied from 2 inches lower to 2 feet lower around the lake. At that time the City starting looking into what was causing the differences in levels to vary so much. Hauersperger stated that based on the 2010 Brosmer Land Surveying report, the lake levels would return to their normal level after construction of the new spillway. The City believed the lake levels would return to normal based on the information from the 2010 report.

Schuetter stated that we are now at a point that we need to fix the current situation at the lake. Schuetter stated he feels the extra water in the lake would be a valuable resource for the City of

Jasper. He feels the lake is an asset for the City, not just for the water but also for recreational purposes. Schuetter applauded the making of the Public/Private partnership for Beaver Lake. Schuetter reminded the Board that when the 17% water rate increase was implemented, 2% of the increase was dedicated to the Beaver Lake project or capital improvements. Schuetter suggested dedicating one year of the 2% increase to the Beaver Lake project. Schuetter stated that the figure should be approximately \$50,000 to \$65,000; the Utility Controller will have to confirm the correct figures.

McKenna said the contract was written to call for approximately 11 inches, but it noted that the 11 inches needs to be verified. McKenna stated that lake levels will be verified through various field surveys around the lake, and confirmation with lot owners/renters. There is also the ability to modify the 11 inches, if needed. Brad Eckerle stated that this will be a challenge to find the exact levels with the wide varieties of existing levels around the lake. Schuetter questioned McKenna regarding the outcome of the effects downstream if the spillway is raised another 11 inches. McKenna stated that the outcome will make very little difference in the outflow downstream.

Schuetter stated that if the spillway is raised 11 inches the USB will have the authority to release the water from the lake during an emergency if needed. Alex Emmons asked what the recreational benefits will be if the spillway is raised 11 inches. Popp said that renters and owners will be able to use their boat docks again; right now some renters and owners can't even get their boats on the lifts; it will reduce safety issues for skiers too. The City owned lots will also benefit because right now they don't have water up to most of their docks. It will also help control the algae and seaweed, and prolong the dredging of the lake. Emmons would like to see the lake marked with signage and be more visible to City residents. This is a public lake and residents need to know that they can utilize the lake. Popp agreed with Emmons and said once the Lake Management Plan is started, these are things he would like to see happen that will positively affect the community.

McKenna stated that a permit has been applied for and approved by the IDNR regarding the possible 11 inch spillway modification. The Board discussed in detail the consideration of the funding and how much to contribute for this project. Schuetter once again suggested a not-to-exceed \$50,000 contribution from the Utility Service Board. Dave Hurst suggested a \$35,000 contribution, due to a lot of ratepayers not using the lake. Roger Seng agreed that \$35,000 to \$50,000 was acceptable. Doug Schulte asked Popp if they receive more than the \$140,000 in stakeholder donations, what would that money go towards. Popp stated if there is extra money contributed, it will apply to lowering the potential loan from the City.

Chairman Stradtner stated that several contingencies will be needed to be included in the Board's actions this evening.

Wayne Schuetter made a motion to approve financing the Beaver Lake spillway elevation upgrade project in the amount of \$50,000, contingent on Board loan approval via subsequent motion, contingent on donations receipt by August 28, 2015, contingent on approved/executed contract with property owners or other party/parties providing appropriate security for the loan, subject to regulatory guidelines, and contingent on appropriation approval by the Park and Recreation Board and loan approval from the Jasper City Council. Doug Schulte seconded the motion. Motion approved, 6-0.

Doug Schulte made a motion to approve a loan for a not-to-exceed \$180,000 for the Beaver Lake spillway elevation upgrade project from the Electric Distribution Department to the Water Department, with a 5% contingency included, amounting to \$16,700, and contingent on donations receipt by August 28, 2015, contingent on approved/executed contract with property owners or other party/parties providing appropriate security for the loan subject to regulatory guidelines, and contingent on appropriation approval by the Park and Recreation Board and loan approval from the Jasper City Council, and with interest to be paid by the Water Department as additional funding consideration for the project. Attorney Kabrick reiterated that donations must be received on or before 8/28/15, for not less than \$125,000. Roger Seng seconded the motion. Motion approved, 6-0.

Wayne Schuetter made a motion to award the bid to Krempp Lumber Company in the amount of \$334,400 for the Beaver Lake spillway elevation upgrade modification for which bid amount includes the spillway upgrade for \$321,000 and dam maintenance for the amount of \$13,400, contingent on donations receipt by August 28, 2015, contingent on approved/executed contract with property owners or other party/parties providing appropriate security for the loan subject to regulatory guidelines, and contingent on appropriation approval by the Park and Recreation Board and loan approval from the Jasper City Council. Attorney Kabrick stated the contract with the contractor will not be executed until the contract from the stakeholders of Beaver Lake is signed and received. Kabrick would like the contract from the stakeholders no later than August 21<sup>st</sup>. Dave Hurst seconded the motion. Motion approved, 6-0.

Doug Schulte made a motion to approve Christopher B. Burke Engineering for construction oversight of the Beaver Lake spillway elevation upgrade modification in the amount of not-to-exceed \$37,000, which is included in total project costs, contingent on donations receipt by August 28, 2015, contingent on approved/executed contract with property owners or other party/parties providing appropriate security for the loan subject to regulatory guidelines, and contingent on appropriation approval by the Park and Recreation Board and loan approval from the Jasper City Council. Wayne Schuetter seconded the motion. Motion approved, 6-0.

Chairman Stradtner thanked the public for their attention during the meeting and their desire to fund the project.

#### **HIGH SCHOOL STUDENTS** (DVD-1:53:47)

Five students from Forest Park High School in Ferdinand attended the meeting.

#### **WASTEWATER PLANNING COMMITTEE REPORT** (DVD-1:58:05)

Alex Emmons, Chairman of the Wastewater Planning Committee, stated the committee did not meet during the past month.

#### **RESULTS OF QUOTE OPENING FOR METER READING VEHICLE- (TRADE-IN ASSET #TR005077)** (DVD-1:58:13)

Ashley Kiefer informed the Board that the bids for the meter reading vehicle were reviewed by Keith Schnell, Electric Distribution Mechanic, whom handles the maintenance for the vehicle. Schnell advised accepting the quote from Uebelhor and Sons for \$23,322. Kiefer also stated that a trade-in was included in the purchase which is asset #TR005077.



Wayne Schuetter made the motion to purchase the meter reading vehicle from Uebelhor and Sons for \$23,322 and to approve the trade-in of asset #TR005077. Dave Hurst seconded the motion. Motion approved, 6-0.

**CITY HALL SERVER** (DVD-1:59:48)

Bud Hauersperger informed the Board that the City will likely be purchasing the used servers for City Hall from the charter schools for \$500 each versus \$5,000 for new servers. Brian Scott with Technology Dynamics is in the process of sending out Request for Proposals (RFP's) for the configuration of the servers. Hauersperger stated that once the RFP's are received he will bring the information back to the Board for consideration.

**FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET** (DVD-2:00:28)

Roger Seng reported that the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Wayne Schuetter made a motion to approve the claims as presented. Alex Emmons seconded the motion. Motion approved, 6-0.

**MAYOR** (DVD-2:01:40)

Mayor Seitz thanked all City Boards, City Officials, and City staff for their civic participation and their commitment to form and move forward with the Public/Private Partnership for a Beaver Lake Management plan. Your efforts are noticed and commended.

There being no further business to come before the Board, the meeting was adjourned at 9:05PM upon motion by Alex Emmons and seconded by Dave Hurst. Motion approved, 6-0.

The minutes were hereby approved \_\_\_\_\_ with   X   without corrections this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Attest: \_\_\_\_\_  
Secretary Chairman